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KEY STRATEGIES

Quality

(1) Reassess our quality standards and tighten them as appropriate to match changes in consumer expectations.

Cost

(2) Aggressively pursue processing technology to reduce cost and maximize output on investment while improving product quality.

(3) Maintain manufacturing cost increases below the consumer price index.

(4) Introduce a Manufacturing Resource Planning (MRP) system to improve product planning, inventory control and customer service. Support the MRP system with improved methods of forecasting.

Product

(5) Introduce a new generation of autoloading and pump action center fire rifles in 198[illegible].

(6) Introduce, in the mid-80's a new generation of autoloading and pump action shotguns, with an objective of a line with lower cost, lower weight, improved functional performance, and increased durability models.

(7) Add-use products from our current broad product line to take advantage of market opportunities in segments where we currently do not compete.

(8) In rim fire rifles, establish an aggressive strategy in terms of cost reduction but a nonaggressive strategy in regards to product development.

Exhibit 1